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GARY J. WESTON
Executive Director

April 15, 1999

EX PARTE

Ms. Magalie Roman Salas
Office of the Secretary
Federal Communication Commission
445 Twelfth St SW Room TW-A 335
Washington, D.C. 20554

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RE: SBC Communications Inc. and Ameritech Corporation
(CC Dkt. No 98-141)

Dear Ms. Salas:

In response to Chairman Kennard's letter of April 1, 1999 the Edgemont Neighborhood Coalition (Edgemont) files these comments.

Edgemont is a low income African-American neighborhood in Dayton, Ohio. The Edgemont Coalition has, for a number of years, attempted to ensure that low income communities, like Edgemont, benefit from the changes brought about by the Telecommunications Act of 1996. Edgemont previously filed comments with the FCC on the SBC/Ameritech merger and participated in the SBC/Ameritech merger approval case before the Public Utilities Commission of Ohio (PUCO). Edgemont was one of the parties which signed a stipulation (February 23, 1999, attached) which became the basis of the April 8, 1999 PUCO order approving the merger in Ohio.

Edgemont has had concerns about the impact the proposed merger of SBC and Ameritech will have on low income communities. The settlement which Edgemont signed with the joint applicants partially addresses a number of our concerns. Taken as a whole, Edgemont felt and still feels that the agreement in Ohio warranted our support, nonetheless, there is more that the FCC could do to address our concerns.

1. Edgemont is concerned that the merger will exacerbate the digital divide.

There are two dynamics at work here. On the one hand, a larger company with a greater geographic reach, more competitive activities and a greater distance between the headquarters and underserved communities, is likely to be less focused on and less responsive to the needs of



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low income communities for access to advanced telecommunications technology. On the other hand, to the extent the merger is successful in promoting reliance on broadband infrastructure and advanced services, those who are left behind will be at an even greater disadvantage when it comes to economic opportunity, civic involvement and access to basic social services. As FCC knows, the recent NTIA report, *Falling Through the Net II*, shows that the digital divide actually grew between 1994 and 1997. Unaided, the market is plainly not addressing this problem.

The merger settlement in Ohio attempts to mitigate the digital divide in two ways. First, it creates a Community Technology Fund to fund technology access projects in low income communities. While the details of the Ohio fund have yet to be fleshed out, the design is modeled on the fund agreed to as part of the SBC/Pacific Telesis merger. Seven hundred fifty thousand (\$750,000) dollars a year for three years has been committed to this fund. Stip. at 19.

Second, a total of one million dollars is allocated to support existing and to create new community computer centers in low income communities in the State. Those centers provide hands-on access to computers and telecommunications along with workshops and tutoring, in neighborhoods that otherwise would have no such access. Stip. at 20.

Both of these commitments are important steps in the right direction. Unfortunately, the funds that are allocated can only scratch the surface of the problem. The community computer center funding, for example, is only sufficient to provide three years of barebones funding to six centers.

Proposed Condition: Edgemont recommends that the FCC condition any merger upon SBC/Ameritech providing substantial funding to technology access programs like those described above.

2. Edgemont is concerned that the combined company will delay providing broadband infrastructure to low income communities.

As we learned in the Ohio merger case, ILEC infrastructure investment is targeted to areas of high growth, which in Ohio is in the outer suburbs. This, combined with the fact that competitors will initially target those very same areas which in turn will draw further ILEC attention, gives rise to our concern that the inner city and low income rural areas will be the last to receive important broadband infrastructure. Indeed, Ameritech is conducting its pilot of ADSL technology in Wheaton, Illinois, an affluent, virtually all white suburb of Chicago. It is there that Ameritech is learning what customers want from a broadband service, how that service can be marketed and how it can be priced.

The merger agreement in Ohio addresses this concern by requiring that for five years after the merger, at least 10% of the central offices receiving ADSL or ADSL type services must be offices in large urban areas with relatively large numbers of low income households (approximately 10% of the central offices in Ohio fit this description). Stip. at 15.

- i. offer a subsidy greater than what is currently mandated,
 - ii. extend eligibility to the working poor with incomes up to 150% of poverty,
 - iii. be well publicized in the communities where it is needed,
 - iv. provide for automatic enrollment of categorically eligible people as is done in New York State,
 - v. have sufficient well trained staff to promptly handle all inquiries about the program and to expeditiously enroll people in it and,
 - vi. have the goal of increasing the level of telephone subscribership in presently underserved communities to the penetration level for the state as a whole.
- B. The company should cease the disconnection of basic local service of any residential customer where that customer fails to pay for long distance or other services. Pennsylvania has had such a policy for a number of years and many attribute that state's high level of telephone penetration to that policy.
- C. The merged company should create a universal service equal access fund that (a) provides an incentive for the company to increase telephone penetration among low income households and (b) provide funds for other entities, including competitors, to act to increase telephone penetration to the extent the company is ineffective in doing so. The fund would be paid into by the merged company according to a formula based upon the disparity between telephone penetration among low income Ohioans and the general Ohio population.

In order to provide maximum incentive, the company should have a one year, ramp-up period during which it does not pay into the fund. At the end of this period the initial determination would be made of the penetration rate disparity. The company's contribution would change each year based upon recalculation of the penetration rate disparity. This fund is described in detail in the attached testimony of Roger Colton (R. Colton at 31) which was filed in the Ohio merger case by Edgemont.

- D. The merged company should create a mechanism to ensure that its performance in the areas which support the ability of at-risk households to keep telephone service do not degrade. A benchmark would be arrived at for each of five indicators for the past year and compared to performance in the areas in each of the years after the merger. The indicators rely on existing data to measure termination rates, money at risk, deferred payment agreement success, weighted arrears, and percent of customers in debt. Degraded performance on an

aggregated index of those indicators, would result in a penalty being assessed. If there are four consecutive years without degradation the mechanism would dissolve. This proposal is also more fully described in the testimony of Roger Colton (R. Colton at 40).

- E. The merged company shall commit to not hard-sell extra features or "packages" to residential customers. Specific practices should be listed and made off limits.

All of the commitments recommended above need to be specific and concrete with clear timetables and significant penalties if they are not properly implemented. Progress reports and supporting data should be provided to parties filing comments in this proceeding and those parties should be given the right to trigger a compliance review and enforcement action.

In conclusion, Edgemont appreciates the opportunity to file these comments. We would welcome the opportunity to discuss these ideas with you further. Please do not hesitate to call me at (937) 228-8088, ext. 111 if you have any questions.

Yours,



Ellis Jacobs

Counsel for the Edgemont Neighborhood Coalition

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Joint Application
of SBC Communications Inc., SBC
Delaware, Inc., Ameritech Corporation,
and Ameritech Ohio
for Consent and Approval
of a Change of Control.**

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Case No. 98-1082-TP-AMT

STIPULATION AND RECOMMENDATION

TABLE OF CONTENTS

I. RECITALS	1
II. DEFINITIONS	4
III. GENERAL TERMS AND CONDITIONS	5
IV. PERFORMANCE MEASUREMENTS, STANDARDS/BENCHMARKS, AND REMEDIES FOR OPERATIONS SUPPORT SYSTEMS AND FACILITIES	7
A. Collaborative Process for Applying Best Practices to Improve OSS	7
B. Additional Support for Small NECs	8
C. NEC Service Centers, Staffing, and Resolution of Current OSS Disputes	9
D. Collaborative Process for Implementing OSS and Facilities Performance Measurements, Standards/Benchmarks, and Remedies	9
E. OSS Non-Recurring Charge	14
V. INFRASTRUCTURE	14
A. Capital Investment Commitment	14
B. Network Annual Report	14
C. ADSL	15
D. Retail Residential Services Annual Report	16
VI. ADDITIONAL PUBLIC BENEFITS	17
A. Residential Services Rate Commitment	17
B. USA (Lifeline) Commitment	17
C. Consumer Late Payment Charge Commitment	17
D. MTSS Credit Commitment	18
E. MTSS Recourse Credit Commitment	18
F. Consumer Education Fund Commitment	18
G. Community Technology Fund Commitment	19

H. Community Computer Center Commitment.....	20
I. Charitable Contributions Commitment.....	21
J. Marketing Practices Commitment	21
VII. IN STATE PRESENCE	21
A. Ohio Headquarters Commitment	21
B. Ameritech Ohio Employees Commitment.....	21
C. Customer Service Employee Reports	22
D. Commitment to Provide Local Competition in Four New Markets	22
VIII. QUALITY OF SERVICE	24
A. Service Quality Commitment	24
B. Service Quality Reporting.....	25
C. Non-Telephone Households Studies.....	25
IX. CARRIER-TO-CARRIER ACTIVITIES.....	26
A. Alternative Dispute Resolution.....	26
B. MTSS Recourse Provision Amendments.....	29
C. Promotional Carrier-To-Carrier Discounts	29
1. Unbundled Elements Promotional Discounts	29
2. Resold Services Promotional Discounts	31
3. Competitive Line Growth Test	33
4. Promotional Collocation Provisions	33
D. NEC Confidential Information	36
E. CSR Mediation	37
F. Non-Recurring Charges Payment Option	37

G. Bona Fide Request Fees.....	38
H. Enhanced Local Number Portability Deployment.....	38
I. Interim Local Number Portability Provisioning	39
J. Structure Access Intervals.....	39
K. Pole Attachment and Conduit Records.....	39
X. BOOKS AND RECORDS	39
XI. AFFILIATES.....	40
XII. MARKET POWER.....	40
XIII. ENFORCEMENT	43
A. Service Quality Test.....	43
B. Competitive Test.....	47
C. OSS Performance Measurements/Standards Test.....	49
XIV. MISCELLANEOUS	49
APPENDICES	
Performance Measurements.....	Appendix 1
SWBT Competitive Local Exchange Carrier EDI/LSR Change Control Process.....	Appendix 2
California template for an Interconnection Agreement Appendix	Appendix 3

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application of SBC Communications Inc., SBC Delaware, Inc., Ameritech Corporation, and Ameritech Ohio for Consent and Approval of a Change of Control.))))))	Case No. 98-1082-TP-AMT
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STIPULATION AND RECOMMENDATION

The Staff of the Public Utilities Commission of Ohio ("Commission Staff" or "Staff"), and the parties hereto,¹ being the Joint Applicants (SBC Communications Inc. ("SBC"), SBC Delaware, Inc., Ameritech Corporation ("Ameritech"), and Ameritech Ohio) and such of the intervening parties in this proceeding as have evidenced their agreement by subscribing hereto (collectively, the "Stipulating Parties"), hereby submit to the Public Utilities Commission of Ohio (the "Commission") this Stipulation and Recommendation (the "Stipulation").

I. RECITALS

A. On July 24, 1998, SBC, SBC Delaware, Inc., Ameritech, and Ameritech Ohio filed a Joint Application seeking Commission approval of a change of control for Ameritech Ohio pursuant to R.C. § 4905.402.

B. In the Commission's October 15, 1998 Entry, the motions to intervene of the following parties were granted: Time Warner Telecom of Ohio, L.P. ("Time Warner Telecom"), Time Warner Cable, Ohio Consumers' Counsel ("OCC"), Payphone Association of Ohio, Ohio

¹ Pursuant to O.A.C. 4901-1-10, the Staff is a party for purposes of this Stipulation.

Cable Telecommunications Association ("OCTA"), City of Toledo, AT&T Communications of Ohio, Inc. (AT&T), Airtouch Cellular, Inc., State Alarm, Inc., Nextlink Ohio, Inc., United Telephone Company of Ohio, Sprint Communications Company L.P., Empowerment Center of Greater Cleveland, CoreComm Newco, Inc. f/k/a Cellular One, Telecommunications Resellers Association, MCI Telecommunications Corp., MCImetro Access Transmission Services, Inc., Iwaynet Communications, Inc., ICG Telecom Group, Inc., and Edgemont Neighborhood Coalition ("Edgemont"). The motion to intervene of Parkview Areawide Seniors was granted by Entry dated October 29, 1998, and the motion to intervene of American Association of Retired Persons ("AARP") was granted by Entry dated December 18, 1998. The City of Toledo and AirTouch Cellular, Inc. subsequently withdrew from this proceeding.

C. On October 15, 1998, the Commission issued an Entry identifying issues to be addressed in this proceeding.

D. On November 6, 1998, the Commission Staff filed a Preliminary Independent Staff Proposal Relative To The Issues Identified by the Public Utilities Commission of Ohio (the "Staff Proposal").

E. The Joint Applicants and several intervenors filed comments and reply comments, as well as written testimony in this case, and a hearing was commenced on January 7, 1999 pursuant to the schedule established by the Commission.

F. Representatives of the Joint Applicants, Commission Staff, and all parties interested in doing so met in several open sessions, beginning on December 16, 1998, in an attempt to reach a common resolution of the nine issues set forth in the Commission's October 15, 1998 Entry. All parties were noticed for all sessions. Prior to execution of the final draft of the

Stipulation, multiple drafts, including but not limited to a final draft, were circulated to all parties for their review and comment.

G. After extensive negotiations, the Stipulating Parties, represented by experienced counsel and other experts reflecting widely varying interests and knowledgeable of the circumstances, having before them, inter alia, the Joint Application and Staff Proposal, having conducted extensive discovery and reviewed and considered the comments and testimony in this proceeding, and otherwise being fully advised, have agreed upon the terms of this Stipulation, set forth herein, and recommend its adoption by the Commission.

H. The Stipulating Parties recognize that the Commission is not bound by the terms of this Stipulation, but submit that it is entitled to careful consideration. The Stipulating Parties stipulate that (1) this Stipulation is a product of serious bargaining among capable, knowledgeable parties; (2) the Stipulation, as a package, benefits customers and the public interest; and (3) the Stipulation and its terms and conditions do not violate any important regulatory principle or procedure.

I. The Supporting Stipulating Parties stipulate that this Stipulation promotes competition, addresses the issues identified in the Commission's October 15, 1998 Entry, and satisfies the requirements contained in R.C. § 4905.402 and in R.C. §§ 4905.49 and 4905.491, if deemed applicable. The Supporting Stipulating Parties further stipulate and agree that approval of the Joint Application conditioned on the terms of this Stipulation will promote the public convenience and result in the provision by Ameritech Ohio of adequate service for a reasonable rate, rental, toll, or charge. Accordingly, the Supporting Stipulating Parties recommend that the Stipulation should be adopted in its entirety, without modification, deletion, or addition, by the Commission.

WHEREFORE, the Stipulating Parties hereby stipulate and agree as follows:

II. DEFINITIONS

A. The term **"Alternative Regulation Plan"** means the Plan of Alternative Regulation approved by the Commission in Case Nos. 93-487-TP-ALT and 93-576-TP-CSS by its Opinion and Order dated November 23, 1994 and Entry on Rehearing dated January 19, 1995, ratified by Senate Bill 306 signed into law on June 18, 1996, and implemented pursuant to the Settlement Agreement in Case No. 96-532-TP-UNC.

B. The terms **"Commission"** and **"PUCO"** mean the Public Utilities Commission of Ohio.

C. The term **"SBC/Ameritech"** means SBC Communications Inc., Ameritech Corporation, Ameritech Ohio, and/or any of their affiliates.

D. The term **"Merger"** means the business combination of SBC Communications Inc. and Ameritech Corporation as set forth in the Agreement and Plan of Merger Among Ameritech Corporation, SBC Communications Inc. and SBC Delaware, Inc., Dated as of May 10, 1998 (the **"Merger Agreement"**).

E. The terms **"Merger Closing Date"** and **"Merger Closing"** mean the day that, pursuant to the Merger Agreement, Ameritech and SBC cause a Certificate of Merger to be executed, acknowledged, and filed with the Secretary of State of Delaware as provided in Section 251 of the Delaware General Corporation Law, as amended.

F. The term **"NEC"** means a New Entrant Carrier as that term is defined in the Commission's guidelines issued in Case No. 95-845-TP-COI as of the date of this Stipulation, regardless of whether future regulatory changes alter the meaning of a NEC in Ohio.

G. The term **"Small NEC"** means any NEC that, when combined with all of the NEC's affiliates and the NEC's joint ventures that provide telecommunications services, has less

than \$300 million in total annual telecommunications revenues, excluding revenues from wireless services, as reported to the Securities and Exchange Commission or in other documents mutually agreeable to such NEC and SBC/Ameritech. Any dispute relating to the application of this definition may be resolved by the Commission.

H. The term "Collaborative Process" means a series of meetings open to all interested persons wherein all participants will endeavor in good faith to reach a mutually agreeable resolution of the issue or issues presented for discussion at such meetings. However, in the event the participants are not able to reach a mutually agreeable resolution, SBC/Ameritech and all other participants retain the right to develop and propose to the Commission a resolution to any issue that they believe is appropriate.

I. Where this Stipulation defines a period of time as "x years following" an event or as "a period of x years" after an event, the period of time begins on the date of the event and ends x years thereafter (*i.e.*, if the Stipulation refers to "3 years following the Merger Closing Date" and the Merger Closing Date is 7-1-1999, the relevant time period is from 7-1-1999 through 6-30-2002).

J. The term "Stipulating Party" refers to a signatory to this Stipulation.

K. The term "Supporting Stipulating Party" refers to a signatory party to this Stipulation that supports the Joint Application based on this Stipulation.

L. The term "Non-Opposing Stipulating Party" refers to a signatory party to this Stipulation that agrees not to oppose the Joint Application based on this Stipulation.

III. GENERAL TERMS AND CONDITIONS

A. The Supporting Stipulating Parties agree that, subject to the conditions as set forth herein, the Commission should approve the Joint Application by approving and adopting, as part

of its Opinion and Order in this matter, this Stipulation resolving all of the issues in this proceeding.

B. The terms of this Stipulation shall become effective upon approval of the Stipulation, by Commission Order, as a full and final resolution of the issues.

C. Except as otherwise specifically stated, the terms of this Stipulation shall commence on the Merger Closing Date. In the event the Joint Applicants withdraw their Joint Application, the obligations under this Stipulation shall then become null, void, and of no effect except for those which by their express terms survive such a withdrawal.

D. On the Merger Closing Date or immediately thereafter, the Joint Applicants will file a notice in this docket that the Certificate of Merger has been filed with the Secretary of State of Delaware.

E. The Stipulating Parties agree that, if the Commission's Opinion and Order in this proceeding adopting this Stipulation contains material modifications, deletions, or additions, as the basis for its decision in this proceeding, to be evidenced by incorporation of such material modifications, deletions, or additions of this Stipulation within the Commission's Order in this proceeding by reference, restatement, and/or attachment, any Stipulating Party may withdraw its consent for joining this Stipulation by filing a notice of withdrawal indicating the same within 15 days of the issuance of such Opinion and Order. If the withdrawing Stipulating Party is a Supporting Stipulating Party, then this Stipulation shall thereupon become null and void and shall not constitute any part of the record in this proceeding, nor shall it be used for any purpose in this proceeding or any other proceeding. If such a notice is filed by a Supporting Stipulating Party, the Stipulating Parties agree that the hearing in this proceeding should be reconvened for the Commission Staff to submit its testimony and for any rebuttal testimony as authorized by the

Commission. In the event the hearing is reconvened for that purpose, the Stipulating Parties agree that the hearing in this proceeding should not be considered concluded, for purposes of triggering the 20-day decision timeline in R.C. § 4905.402, until such time as the reconvened hearing is concluded. A notice of withdrawal by one or more Non-Opposing Stipulating Parties shall not render the Stipulation null and void, and the Stipulation shall continue to be a part of the record in this proceeding. Should a Non-Opposing Stipulating Party file a notice of withdrawal pursuant to this Section III.E., however, that party may thereafter elect to file an application for rehearing, support or oppose another party's application for rehearing, and/or file an appeal from the Commission's adoption of the Stipulation (as modified by the Commission).

F. Subject to Commission approval, the Stipulating Parties agree to support completion of the hearing and briefing on this Stipulation in an expeditious manner so as to allow the record to be submitted to the Commission within 30 calendar days of the date of this Stipulation.

G. The Stipulating Parties agree that they will make no official statement or representation, orally or in writing, inconsistent with the Supporting Stipulating Party or Non-Opposing Stipulating Party status of the signatories to this Stipulation, and will use their best efforts to ensure that their agents and employees will make no such statement or representation.

IV. PERFORMANCE MEASUREMENTS, STANDARDS/BENCHMARKS, AND REMEDIES FOR OPERATIONS SUPPORT SYSTEMS AND FACILITIES

A. Collaborative Process for Applying Best Practices to Improve OSS.

1. SBC/Ameritech shall adopt procedures for improving Ameritech Ohio's OSS as set forth in this Section IV.A. SBC/Ameritech will establish a joint SBC/Ameritech task force comprised of their OSS subject matter experts that is to identify the best practices of SBC's and Ameritech's OSS. As part of the effort to improve OSS, the joint SBC/Ameritech task force will investigate the economic and technical feasibility of improving and integrating SBC's and Ameritech Ohio's OSS systems, including but

not limited to, systems and procedures for pre-ordering, ordering, provisioning, billing, and repair and maintenance.

2. In conjunction with such task force, SBC/Ameritech will obtain advisory input from the Commission Staff and NECs through a collaborative process.
3. SBC/Ameritech will present to the collaborative participants proposed OSS improvements to Ameritech Ohio's OSS within 60 days of the Merger Closing. SBC/Ameritech will also report on planned OSS improvements and the associated implementation timelines to the collaborative participants within 90 days of the Merger Closing. SBC/Ameritech further agree to implement such improvements to Ameritech Ohio's OSS within 180 days of the Merger Closing unless they conclude that it is not economically or technically feasible to implement one or more of the proposed OSS improvements within such 180 day period or at all. If SBC/Ameritech reach such a conclusion, they will review this conclusion with the collaborative participants, prior to the report to be submitted within 90 days of the Merger Closing Date. Such review will include any recommendations on substitute measures or modified timelines that could be implemented in the alternative.
4. SBC/Ameritech will provide NECs with ongoing advance information on OSS improvements and a reasonable period to make related changes, if any, to their systems by incorporating the principles contained in the Change Control Process described in the document entitled "SWBT Competitive Local Exchange Carrier (CLEC) EDI/LSR Change Control Process," which is attached hereto as Appendix 2, within 30 days of the Merger Closing Date.
5. SBC/Ameritech will utilize the approach contained in the California template for an Interconnection Agreement Appendix, which is attached hereto as Appendix 3, for providing NECs access to new and/or changed OSS systems.

B. Additional Support for Small NECs.

1. Within 30 days following the Merger Closing Date, SBC/Ameritech will also designate and make available a team of a sufficient number of OSS experts dedicated and empowered to assist Small NECs in Ohio with OSS issues. Such team will be available to provide training and assistance, but not the provisioning of telecommunications services, to such NECs at no additional cost for a minimum of 12 months following the designation of the team. A Small NEC may reasonably request a change, expansion, and/or reduction in the composition of the dedicated team.

2. For those Small NECs that are Stipulating Parties, the Joint Applicants will implement the dedicated team of OSS experts referenced in Section IV.B.1. beginning 30 days following the Commission's entry of a final appealable order in this proceeding approving the Merger. Such team will be available to provide assistance for either: i) 12 months following the designation of the team; or ii) 12 months following the Merger Closing Date, whichever results in a longer period of assistance.
3. Within 90 days following the Merger Closing Date, SBC/Ameritech will identify and develop training, procedures, and systems that will be beneficial to Small NECs operating in Ohio. Within 120 days following the Merger Closing Date, SBC/Ameritech will provide notice of such training, procedures, and systems to all Small NECs.

C. NEC Service Centers, Staffing, and Resolution of Current OSS Disputes.

1. The Joint Applicants will not move the Ameritech NEC service centers located in Milwaukee, Wisconsin and Grand Rapids, Michigan for 12 months following the Merger Closing Date.
2. The Joint Applicants will not reduce Ameritech's staffing levels of experienced and qualified staff dedicated and empowered to provide NEC service, including staffing based in Ohio, for 4 years following the Merger Closing Date. The staffing levels shall be based on the highest of: i) the levels in place as of the Merger Closing Date; ii) the levels in place as of the date on which the Commission enters a final appealable order approving the Merger; or iii) the levels in place as of the date of the Stipulation.
3. During the period between the date of this Stipulation and the Merger Closing Date, Ameritech Ohio will use its reasonable best efforts, in good faith, to resolve current OSS disputes.
4. During the period commencing on the date of this Stipulation and ending 4 years following the Merger Closing Date, a NEC may reasonably request in writing, with substantiation, that Ameritech Ohio address claimed problems with an assigned account manager. Ameritech Ohio commits to seriously consider the request after investigation and to meet with the NEC promptly within 30 days to discuss the claimed problems and to attempt to address them.

D. Collaborative Process for Implementing OSS and Facilities Performance Measurements, Standards/Benchmarks, and Remedies.

1. Within 30 days following the Merger Closing Date, SBC/Ameritech will establish a joint SBC/Ameritech task force comprised of their performance

measurements subject matter experts that is to develop a plan to implement OSS and facilities performance measurements, associated standards/benchmarks, and remedies in Ohio.

2. The task force will review the economic and technical feasibility of adopting in Ohio each of the OSS and facilities performance measurements and related standards/benchmarks that SBC has agreed to implement in Texas as a result of the Texas collaborative process ("the Agreed To Standards/Benchmarks," which are attached hereto as Appendix 1). This review will identify the differences, if any, between the underlying legacy systems and equipment, including computer, manual and data generating systems and equipment, in Texas and Ohio which may make it economically or technically infeasible to implement certain agreed to performance measurements and/or related standards/benchmarks in Ohio. If no such differences are identified for a particular measurement or standard/benchmark, SBC/Ameritech will implement that performance measurement or standard/benchmark in Ohio. As of the date of this Stipulation, SBC has agreed to implement in Texas 105 such performance measurements and Agreed To Standards/Benchmarks, which include the performance measurements identified in a U.S. Department of Justice March 6, 1998 letter. Should SBC agree to implement additional measurements or standards/benchmarks in the Texas collaborative prior to the date the task force is established, the task force will include such additional measurements or standards/benchmarks within its review.² Additionally, should SBC agree to remedies (e.g., damages, penalties, and credits) associated with one or more Agreed To Standards/Benchmarks in the Texas collaborative prior to the date the task force is established, the task force will also review such agreed to remedies to determine whether it is appropriate to implement such remedies in Ohio considering any relevant differences between Texas and Ohio.
3. Within 60 days following the Merger Closing Date, in conjunction with such task force, SBC/Ameritech will work with the Commission Staff, NECs, and any other interested parties in a collaborative process to develop the initial performance measurements, standards/benchmarks, and remedies to be implemented in Ohio. SBC/Ameritech will meet with the collaborative participants on a regular basis to review the status of implementing each of the agreed to performance measurements, Agreed To Standards/Benchmarks, and/or remedies in Ohio. Such review will include either:

² Provided, however, that should SBC agree to LNP-related performance standards in Texas, such LNP-related performance standards will not be Agreed To Standards/Benchmarks subject to the task force's review. Nevertheless, any participant in the collaborative process may suggest LNP-related performance standards that are appropriate for discussion and potential implementation in Ohio.

- (A) the timeline for implementing the performance measure, associated standard/benchmark, and remedy in Ohio; or
 - (B) an explanation of why SBC/Ameritech believe it is not economically and/or technically feasible to implement either the performance measure, standard/benchmark or remedy in Ohio, in which case SBC/Ameritech would discuss any substitute measure(s), associated standard(s)/benchmark(s), and/or remedy(ies) that would be appropriate.
- 4. Within 120 days following the Merger Closing Date, the task force will complete its initial review of performance measurements/standards/benchmarks/remedies with the collaborative participants.
- 5. Beginning 90 days following the Merger Closing Date and completing within 180 days following the Merger Closing Date, SBC/Ameritech will implement in Ohio (subject to any required Commission approval, which will be timely sought), each of the Agreed To Standards/Benchmarks that they determine are economically and technically feasible to implement. Implementation will occur on a rolling basis as each Agreed To Standard/Benchmark is tested and becomes operationally ready and will fully apply to both resale and facilities, where applicable, when implemented. If SBC/Ameritech determine that it is not economically or technically feasible to implement one or more Agreed To Standards/Benchmarks in Ohio within 180 days following the Merger Closing Date, they agree to implement such Agreed To Standards/Benchmarks as soon as it is economically or technically feasible to do so.
- 6. Within the later of 270 days following the Merger Closing Date or April 1, 2000, SBC/Ameritech will implement in Ohio at least 79 of the 105 performance measurements and related standards/benchmarks as set forth in Appendix 1. SBC/Ameritech will not raise economic or technical feasibility or the exception for Y2K-related problems set forth in Section XIV.C. as an excuse for noncompliance with this commitment. Within 280 days following the Merger Closing Date or April 11, 2000, whichever is later, SBC/Ameritech will file a letter in this docket and serve such letter upon all NECs with whom Ameritech Ohio has an approved interconnection agreement attesting whether or not SBC/Ameritech have met this commitment. Such attestation is subject to review by the Commission. If SBC/Ameritech attest that they did not, or the Commission finds that they did not, implement in Ohio at least 79 of the 105 performance measurements and related standards/benchmarks set forth in Appendix 1 within the later of 270 days following the Merger Closing Date or April 1, 2000, SBC/Ameritech will make a payment of \$20 million, as follows:

- a. \$17.5 million, as payments to NECs providing end-user service within Ameritech Ohio's service area as of the date 270 days following the Merger Closing Date or April 1, 2000, whichever is later, as follows:
- (A) A NEC's Access Lines, for each NEC, shall be its total number of access lines in service, including, without limitation, residence access lines, business access lines and end-user trunks, and ISDN lines, whether resold or not, measured as of the date 270 days following the Merger Closing Date or April 1, 2000, whichever is later, within Ameritech Ohio's current service area. Each NEC that desires to receive any of the \$17.5 million in payments must provide to the Commission Staff, no later than 300 days following the Merger Closing Date or May 1, 2000, whichever is later, a report identifying the number of such lines and trunks for that NEC. Such report shall separately identify: i) the number of resold Ameritech Ohio access lines; ii) the number of unbundled loops purchased from Ameritech Ohio; and iii) all other such lines and trunks in service within Ameritech Ohio's current service area. Each NEC submitting such a report will certify to the Commission Staff the accuracy of such report. The Commission Staff will notify each qualifying NEC of its pro-rata share of the \$17.5 million. Thirty days after the date of such notice, the Commission Staff will provide notice to SBC/Ameritech as to the appropriate disbursement of the \$17.5 million. Within 30 days of receiving this notice from the Commission Staff, Ameritech Ohio will issue checks totalling \$17.5 million made payable to each qualifying NEC for the disbursement amounts listed in Staff's notice to Ameritech Ohio.
 - (B) Total NEC Access Lines shall be the sum of (A) above for all qualifying NECs submitting a timely report.
 - (C) A NEC's Pro-Rata Share shall be the ratio of (A) above for that NEC, divided by (B).
 - (D) Each affected NEC within Ameritech Ohio's current service area shall receive a payment equal to \$17.5 million multiplied by the NEC's Pro-Rata Share; and
- b. \$2.5 million to the Community Technology Fund described below in Section VI.G.

7. If Ameritech/Ohio reports that it has met the commitments as provided in Section IV.D.6. and that is disputed, the Commission may issue an order to resolve that dispute and may set forth appropriate time frames.
8. For each Agreed To Standard/Benchmark to be implemented in Ohio that has an SBC agreed-upon remedy in Texas, SBC/Ameritech will discuss with the collaborative participants the proposed remedy to be attached to such Agreed To Standard/Benchmark in Ohio. After SBC/Ameritech implement an Agreed To Standard/Benchmark in Ohio, they will also implement (subject to any required Commission approval, which will be timely sought) any remedy to be associated with such Agreed To Standard/Benchmark consistent with the approach used in the Texas collaborative process. If the collaborative participants agree, SBC/Ameritech will refrain from implementing a particular remedy. Regardless of whether or not SBC agrees to remedies (e.g., damages, penalties, and credits) associated with one or more Agreed To Standards/Benchmarks in the Texas collaborative, the Ohio collaborative process is not precluded from considering any proposed remedy or remedies.
9. If any participant in the collaborative process disputes SBC/Ameritech's determination that it is not economically or technically feasible to implement a particular Agreed To Standard/Benchmark in Ohio, either at all or within the 180 day time period, the collaborative participants will collaborate to resolve such dispute in the collaborative process. If any such dispute cannot be resolved through the collaborative process, any participant may ask the Commission to resolve such dispute. In any such dispute that may arise before the Commission, SBC/Ameritech retain the burden of proving to the Commission that it is not economically or technically feasible to implement an Agreed To Standard/Benchmark in Ohio.
10. Ameritech Ohio will provide a report to the Commission Staff on the results of its performance measurements on a quarterly basis, beginning the first full calendar quarter in which Ameritech Ohio has at least one full month of data for one or more performance measurements, and will report with respect to transactions affecting Ohio NECs relative to their provision of service to end users in Ohio. If it is not economically or technically feasible, as discussed in the collaborative process, for Ameritech Ohio to report transactions on that basis, reporting will be done either on an Ameritech-wide or SBC-wide basis as reasonably determined by Ameritech Ohio after consulting with Commission Staff. Performance measurement reports will be provided to NECs in conformance with each NEC's interconnection agreement and will be made available electronically if so requested.

11. For a minimum of one year following the Merger Closing Date, and thereafter on an as-needed basis as determined by Staff, participants in the collaborative process will collaborate to implement any additions, deletions, or changes to the performance measurements, standards/benchmarks, and remedies that are implemented by SBC/Ameritech in Ohio. Any participant may propose such addition, deletion, or change based upon experience with such implemented performance measurements, standards/benchmarks, remedies, or any other factor. If a dispute over any such addition, deletion, or change cannot be resolved through the collaborative process, any participant may ask the Commission to resolve such dispute. The participant proposing the addition, deletion, or change retains the burden of proving that such addition, deletion, or change should be adopted in Ohio.

E. OSS Non-Recurring Charge. Ameritech Ohio will not propose any new non-recurring charges for accessing or utilizing Ameritech's generally available OSS systems for 2 years following the Merger Closing Date.

V. INFRASTRUCTURE

A. Capital Investment Commitment. SBC/Ameritech will make capital investments in the Ameritech Ohio infrastructure and network located in Ameritech Ohio's service territory as of the date of this Stipulation in a total aggregate amount of not less than \$1.32 billion over the three full calendar years following the year in which the Merger Closing occurs. (e.g., if the Merger Closing Date is 7-1-1999, the three full calendar years will be 1-1-2000 through 12-31-2002).

B. Network Annual Report. During such period, Ameritech Ohio will provide to the Commission Staff an annual report providing a comparison of Ameritech Ohio's Public Switched Network ("PSN") with each of the non-Ohio PSNs owned and operated by SBC as of the Merger Closing Date. This report will provide individually by PSN the investments made and new services introduced. The report will also contain detailed information relating to Ameritech Ohio's operations, by central office, for network switching, advanced services, and broadband capabilities, and will also include information on interoffice transport. The report provided under

this Section V.B. shall be provided on a calendar year basis and shall be provided by April 1 of each year following the calendar year at issue. Ameritech Ohio will also provide the report to OCC, Edgemont, and any other stipulating consumer parties, subject to appropriate confidentiality agreements.

C. ADSL. SBC/Ameritech commit that, for a period of 5 years following the Merger Closing Date, if Asymmetrical Digital Subscriber Line ("ADSL") service is deployed in Ohio, at least 5% of any such deployment, as measured by the number of offices in which ADSL has been enabled and offered as a service, will be in target offices in Cleveland and Columbus (as defined below) and at least 5% will be in target offices in Akron, Youngstown, Toledo, and Dayton (as defined below). SBC/Ameritech further agree that, in the event ADSL is offered as a service to residence customers in any Ameritech Ohio central office, then ADSL service will be offered to residence customers in any other Ameritech Ohio central office where ADSL is subsequently deployed. SBC/Ameritech intend that any deployment of ADSL in Ohio will be done in good faith in a non-discriminatory fashion without excluding any particular area of the Ameritech Ohio service area.

1. The target offices are central offices in large urban areas having relatively large numbers of low income households, which, as of today, are the following 24 central offices:
 - a. CLEV 64, 74, 42, 45, 43, and 63
 - b. SHHG 92 (to be included in the CLEV category)
 - c. CLMB 23, 25, 27, 29, and 44
 - d. AKRN 25, 72, and 78
 - e. BRTN 74 (to be included in the AKRN category)
 - f. DYTN 22, 26, and 27
 - g. TOLD 21, 47, and 72

h. YNTW 74 and 78

These 24 central offices represent approximately 10% of Ameritech Ohio's total number of central offices.

2. This commitment applies to any technology having essentially the same capabilities that could function as a substitute and/or replacement for ADSL technology. This commitment is binding on the aggregate efforts of Ameritech Ohio and/or any SBC/Ameritech affiliate deploying ADSL service within Ameritech Ohio's current service area. This commitment is not intended to apply to any pilot or test programs or initial rollout efforts and, therefore, would not apply until ADSL is deployed in at least 10 central offices within Ohio.
3. SBC/Ameritech agree that, in deploying ADSL in Ohio under this commitment, it will meet the minimum number of target offices as follows:

ADSL DEPLOYMENT

<u>Total Offices</u>	<u>Minimum # of Target Offices</u>
0-9	0
10-14	1
15-24	2
25-34	3
35-44	4
and so forth	

For example, when Ameritech Ohio has deployed ADSL in 15 offices, at least two of those offices must have been target offices.

4. SBC/Ameritech agree that the commitments contained in this Section V.C. shall not be used as a bar to any future claims by a Stipulating Party against SBC/Ameritech alleging potential unlawful discrimination or inadequacy of service.

D. Retail Residential Services Annual Report. To the extent a particular retail residential service is not made available throughout Ameritech Ohio's service area, SBC/Ameritech will provide to the Commission Staff and any Stipulating Party, on an annual basis, a report identifying the geographic areas where such retail residential services are available. The report will provide such information by wire center, and maps will be created to depict the